

FORM 370A

CLASSIFICATION **CONFIDENTIAL**
 SECURITY INFORMATION
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

50X1-HUM

CD NO.

COUNTRY USSR - Azerbaydzhan SSR
 SUBJECT Economic - Petroleum industry
 HOW PUBLISHED Daily newspaper
 WHERE PUBLISHED Baku
 DATE PUBLISHED 14, 17 May 1953
 LANGUAGE Russian

DATE OF INFORMATION 1952 - 1953

DATE DIST. 27 Aug 1953

NO. OF PAGES 2

SUPPLEMENT
 REPORT NO.

50X1-HUM

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Bakinskiy Rabochiy.

PRODUCTION FAILURES IN THE AZERBAIDZHAN PETROLEUM INDUSTRY
DURING THE FIRST 4 MONTHS OF 1953

Numbers in parentheses refer to appended sources.⁷

Bakinskiy Rabochiy of 14 May 1953 reported that a number of enterprises of the Azneft' Association had not fulfilled their 4-month production plans. In addition, certain directors of petroleum trusts, offices of drilling, factories, and plants were said to gauge their progress on the basis of so-called average indexes, failing to take note of lagging production sectors.

For example, the Leninneft' and Stalinneft' trusts fulfilled the 4-month plan. However, these results were attained as a result of the performance of outstanding brigades whose production efforts made up for the unsatisfactory performance of a number of other brigades. In the Stalinneft' Trust, five oil fields out of nine failed to fulfill the plan. In the Leninneft' Trust, 8 oil fields out of 14 failed to fulfill the plan. Moreover, there were many lagging sectors, oil fields, and subsidiary enterprises in other trusts. Of 76 oil fields in the Azneft' Association, only 47 fulfilled the 4 month plan.

The paper added that a completely intolerable situation had arisen in the Kaganovicheft' and Artemneft' trusts, which did not fulfill their 4 month plans. In the Kaganovicheft' Trust, only one oil field out of six fulfilled the 4-month plan.(1)

Additional information on shortcomings at the Kaganovicheft' Trust was reported in Bakinskiy Rabochiy of 17 May 1953. This trust failed to fulfill the 1952 state plan. Moreover, in the first quarter 1953, most of the enterprises of the trust exceeded by a considerable amount expenditures set forth in the plan for the operation of oil wells. The cost of production of petroleum was 3.9 percent higher than the norm.

- 1 -

CLASSIFICATION		CONFIDENTIAL		DISTRIBUTION							
STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB									
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI		MBPC	<input checked="" type="checkbox"/>						

50X1-HUM

CONFIDENTIAL

The underlying reason for these shortcomings was said to be the failure thoroughly to implement the cost-accounting system in the Kaganovichneft' Trust. In the planning division and in the accounting office of the trust, it is acknowledged that the cost-accounting system has not been dutifully implemented. For example, because of loose accounting for tubing (ekspluatatsionnyye trubyy), since the beginning of the year the directors of the trust have been permitted to expend more than 225 tons of pipe not authorized by the plan.

The following officials of the Kaganovichneft' Trust were held to be largely to blame for insufficiencies in the cost-accounting system of the trust: Tarasenko, chief of the Planning Division; Kuz'mina, chief of the Financial Division; and Shapinskiy, chief bookkeeper.(2)

Bakinskiy Rabochiy of 14 May 1953 also reported that many oil machinery construction plants had failed to fulfill the plan for the first 4 months of 1953. Production quotas for a series of important types of production were not met. Most of the plants of the Azneftemash Trust work in spurts, almost half of their monthly production being released during the third 10-day period. This results in incomplete utilization of productive capacity, an increase in defective production, and the disruption operations at related enterprises.(1)

SOURCES

1. Baku, Bakinskiy Rabochiy, 14 May 53
2. Ibid., 17 May 53

- E N D -

- 2 -

CONFIDENTIAL